



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

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Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

William Loos, MD
Acting Senior Medical Officer

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January 9, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT
(ALL DISTRICTS AFFECTED - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services or his designee to accept the attached offers of compromise, pursuant to Section 1473 of the Health and Safety Code, to settle the following individual accounts for patients who received medical care at non-County facilities under the Trauma Center Service Agreement:

(1)	Account Number EMS 81	\$32,500
(2)	Account Number EMS 83	\$5,000
(3)	Account Number EMS 86	\$5,000
(4)	Account Number EMS 89	\$3,000
(5)	Account Number EMS 90	\$1,824

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The compromise offers of settlement for patient accounts (1) – (5) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department will be able to receive under the tort settlements involved in these cases.

The County has entered in a number of agreements with non-County medical facilities under which it pays for trauma care provided to eligible indigent patients at those facilities. This agreement allows the County, after it has made payment for a particular patient, to pursue recovery from third parties, who are financially responsible for such trauma care.

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net recovery on these accounts.

Implementation of Strategic Plan Goal:

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING:

This will expedite the County's recovery of trauma funds totaling approximately \$47,324.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

CONTRACTING PROCESS:

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

All payments received will replenish the Los Angeles County Trauma Fund.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, MD
Director and Chief Medical Officer

BAC:cm
(FICOMPROMISEBOLDTREMSTLETTER)

Attachments

- c. Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT**COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES****TRANSMITTAL No. 1
DATE: January 9, 2007**

Total Charges (Providing Facility)	\$129,084	Account Number	EMS81
Amount Paid to Providing Facility	\$24,700	Service Type	Inpatient
Compromise Amount Offered	\$32,500	Date of Service	08/02/2005-08/11/2005
		% of Payment Recovered	132%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Medical Center and incurred total inpatient charges of \$129,084 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$24,700. The patient's third-party claim has been settled for \$150,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$150,000)
Attorney fees	\$60,000	\$50,000	33.33%
Attorney Cost	\$352	\$352	.23%
Los Angeles County - EMS	\$129,084	\$32,500	11.30%
Other Lien Holders	\$34,296	\$16,946	21.67%
Patient		\$50,202	33.47%
Total		\$150,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT**COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES****TRANSMITTAL No. 2
DATE: January 9, 2007**

Total Charges (Providing Facility)	\$21,498	Account Number	EMS 83
Amount Paid to Providing Facility	\$7,500	Service Type	Inpatient
Compromise Amount Offered	\$5,000	Date of Service	08/31/2005-09/01/2005
		% of Payment Recovered	67%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at UCLA Medical Center and incurred total inpatient charges of \$21,498 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$7,500. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$15,000)
Attorney fees	\$5,000	\$3,000	20.0%
Attorney Cost	\$13	\$13	.1%
Los Angeles County	\$21,498	\$5,000	33.3%
Other Lien Holders	\$6,572	\$5,366	35.7%
Patient		\$1,621	10.8%
Total		\$15,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT**COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES****TRANSMITTAL No. 3
DATE: January 9, 2007**

Total Charges (Providing Facility)	\$62,916	Account Number	EMS 86
Amount Paid to Providing Facility	\$10,700	Service Type	Inpatient
Compromise Amount Offered	\$5,000	Date of Service	09/17/2005-09/19/2005
		% of Payment Recovered	47%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Medical Center and incurred total inpatient charges of \$62,916 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$10,700. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$15,000)
Attorney fees	\$5,000	\$5,000	33.3%
Attorney Cost	\$548	\$548	3.7%
Los Angeles County	\$62,916	\$5,000	33.3%
Other Lien Holders	\$2,385	\$2,111	14.1%
Patient		\$2,341	15.6%
Total		\$15,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT**COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES****TRANSMITTAL No. 4
DATE: January 9, 2006**

Total Charges (Providing Facility)	\$23,848	Account Number	EMS89
Amount Paid to Providing Facility	\$3,800	Service Type	ER
Compromise Amount Offered	\$3,000	Date of Service	09/30/2005
		% of Payment Recovered	79%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Medical Center and incurred charges of \$23,848 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$3,800. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$15,000)
Attorney fees	\$5,000	\$2,000	13.3%
Attorney Cost	\$350	\$0	-
Los Angeles County	\$23,848	\$3,000	20.0%
Other Lien Holders	\$9,474	\$4,879	32.6
Patient		\$5,121	34.1
Total		\$15,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT**COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES****TRANSMITTAL No. 5
DATE: January 9, 2007**

Total Charges (Providing Facility)	\$16,804	Account Number	EMS90
Amount Paid to Providing Facility	\$3,800	Service Type	ER
Compromise Amount Offered	\$1,824	Date of Service	09/26/2005
		% of Payment Recovered	48%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Long Beach Memorial Medical Center and incurred charges of \$16,804 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$3,800. The patient's third-party claim has been settled for \$7,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$7,000)
Attorney fees	\$1,750	\$1,750	25.0%
Attorney Cost	\$406	\$406	5.8%
Los Angeles County	\$17,134	\$1,824	26.1%
Other Lien Holders	\$2,041	\$920	13.1%
Patient		\$2,100	30%
Total		\$7,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

FACT SHEET

RE: REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT

All Districts.

CONTACT PERSONS:

Department of Health Services
Carol Meyer, Director
Emergency Medical Services Agency
(323) 890-7545
Cmeyer@ladhs.org

Department of Health Services
Andree A. Stecker, Chief Administrative Services
Emergency Medical Services Agency
(323) 869-7154
Astecker@ladhs.org

SUBJECT:

The Director of Health Services is filing a Board letter for the January 9, 2007 agenda to obtain Board approval of the compromise offers of settlement for the following individual accounts for patients who received medical care at non-County operated facilities under the Trauma Center Service Agreement:

Account Number EMS 81	\$32,500
Account Number EMS 83	\$5,000
Account Number EMS 86	\$5,000
Account Number EMS 89	\$3,000
Account Number EMS 90	\$1,824

REQUESTED ACTIONS:

The Board is being asked to authorize the Director of Health Services, or his designee, to accept the compromise offers of settlement for the patient accounts above in accordance with the Compromise Ordinance adopted by the Board on January 15, 2002 and the revision adopted on November 8, 2005.

PROGRAM:

In January, 2002 the Board approved an ordinance granting the Director authority to reduce patient account liabilities when in the best interest of the County.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less, with any reduction exceeding the Director's authority requiring Board approval.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on November 8, 2005.

CONTRACT AMOUNT:

Not applicable.

TERMINATION PROVISIONS:

Not applicable.

Board Agenda: January 9, 2007

TERM OF CONTRACT:

Not applicable.

AUTOMATIC RENEWAL:

Not applicable.

FIRST BOARD APPROVAL:

Not applicable.

RETROACTIVE AGREEMENT:

Not applicable.

REQUEST FOR PROPOSALS PROCESS:

Not applicable.

SOLE SOURCE JUSTIFICATION:

Not applicable.

SMALL BUSINESS' WEB SITE:

Not applicable.